



DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
(FINANCIAL MANAGEMENT AND COMPTROLLER)
1000 NAVY PENTAGON
WASHINGTON, D.C. 20350-1000

APR 16 2002

MEMORANDUM FOR DISTRIBUTION

Subj: INDIVIDUALLY BILLED TRAVEL CARD DELINQUENCIES

Ref: (a) eBUSOPSOFFINST 4650.1

Encl: (1) 60+ Day Delinquency Rates

The Under Secretary of Defense (Comptroller) (USD(C)) recently established a task force to address continuing travel and purchase card delinquency problems. USD(C) is developing a package of remedies in the form of proposed legislation and administrative changes. In concert with these efforts, I am announcing several immediate policy changes governing the use of the travel card within the Department of the Navy (DON). I believe these changes will assist all major commands in better managing their travel card programs:

a. Permanent Change of Station (PCS) travel. While previous DON policy discouraged use of the travel card for expenses incurred during a PCS move or househunting trip, it is now DON policy to advise cardholders not to use the travel card in such situations. Typically, this type of claim is not settled within thirty days, the normal billing cycle for the travel card.

b. Training expenses/Conference fees. Whenever feasible, commands should use the appropriate training request and the purchase card to pay for training costs or conference fees, especially when such fees must be paid in advance.

c. Check-In/Check-Out Processing. Based on previous guidance, commands will include activity program coordinators (APCs) as part of the check-in and check-out process. Upon change of duty stations, DON policy now requires the losing activity to deactivate all travel cards of departing personnel. Members and employees must contact their new APC when checking in with a new command to have their card reactivated.

The DON eBusiness Operations Office will incorporate these changes in the next revision of reference (a).

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To further reduce overdue DON accounts, I am writing to individual delinquent Navy and Marine Corps travel cardholders urging them to settle their accounts as soon as possible. In addition, I intend to request from USD(C) that the DON be authorized to define infrequent travelers as those who travel four or less times per year versus the current standard of two or less times per year. Should this change be approved, it will provide commanding officers with increased discretion to determine which travelers should have travel cards and help reduce the potential for misuse.

Recently, the DON eBusiness office set a 60+ day delinquency rate goal of 5% for all Navy commands, based on the outstanding dollars due the card contractor. USD(C) has now announced that effective September 2002 the DoD goal will be 4.5%. I am confident that we can achieve even better results and therefore am immediately establishing a DON goal of 4.0%. We will be the model for the other Military Departments and DoD agencies.

Enclosure (1) provides the most current delinquency data which shows that many commands are not meeting this goal. In addition to the aforementioned list of policy changes, commands and activities exceeding the 4.0% rate must also take the following remedial actions:

a. Immediately deactivate travel cards for all personnel not scheduled for official travel. Cards will not be reactivated until 10 days before official travel is to begin and will be deactivated immediately upon the conclusion of official travel.

b. Conduct spot checks of individually billed accounts to ensure all card activity occurred in conjunction with official travel. This spot check should include no less than 25% of the command's accounts that had activity during the month. If a pattern of misuse is discovered (e.g., two or more individuals with transactions unrelated to official travel during a month), the spot check population should be expanded to at least 50% of the command's accounts having activity that month.

c. Be prepared to brief the Assistant Secretary (Financial Management and Comptroller) about their program and provide details on specific actions taken to reduce delinquencies and meet the current goal.

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d. Within 30 days of the date of this memorandum, report to the DON travel card coordinator that the above actions are complete and what additional actions are being taken to meet the goal. Reports by e-mail are acceptable.

The commands required to take the above actions may change each month as new delinquency information is reported by the card contractor. Based on this monthly update, other major commands required to take these additional steps will be notified by my staff. Commands currently above the 4.0% goal that subsequently meet the goal and demonstrate an ability to maintain it will no longer be required to take these additional steps.

Your continued attention to the travel card program is crucial to ensure that the current problems are resolved quickly. I view this as a leadership issue, and addressing problems associated with travel card delinquency and misuse demands the close attention of commanding officers, officers in charge, heads of activities, and supervisors. My point of contact, and the DON travel card coordinator, is Mr. David McDermott, who can be reached at 202-685-6719, or via e-mail at mcdermott.david@fmo.navy.mil.



DIONEL M. AVILES
Assistant Secretary of the Navy
(Financial Management and Comptroller)

Distribution:
UNSECNAV (AAUSN)
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Copy to:

USD(C)

DFAS Arlington

60+ Day Delinquency Rate (based on dollars outstanding)
March 2002

| | |
|-------------------|--------------|
| COMNAVRESFOR | 21.39% |
| MARINE CORPS | 14.46% |
| CINCLANTFLT | 14.00% |
| SECGRU | 13.05% |
| CINCPACFLT | 12.41% |
| COMNAVPERSCOM | 11.23% |
| COMNAVNETOPSCOM | 9.85% |
| CINCUSNAVEUR | 9.47% |
| COMNAVSPECWARCOM | 8.58% |
| BUMED | 8.45% |
| COMNAVMETOCCOM | 7.61% |
| CNET | 6.99% |
| ONI | 5.69% |
| COMSC | 4.34% |
| FLDSUPPACT | 4.20% |
| <u>DON GOAL</u> | <u>4.00%</u> |
| COMNAVSUPSYSCOM | 3.53% |
| COMNAVSEASYSYSCOM | 3.31% |
| AAUSN | 2.28% |
| COMSPAWARSYSCOM | 2.22% |
| COMNAVAIRESYSCOM | 1.99% |
| COMNAVFACCENGCOM | 1.93% |
| CNR | 1.28% |
| DIRSSPO | 0.98% |
| NAVSYSMGTACT | 0.00% |